Dorfman

Allen

ADMINISTRATIVE FILE

Dorfman, Allen

Union Insurance Agency
of Illinois
9 East Huron Street · Chicago 11, Illinois · WHitehall 3-0029

Office of
Allen M. Dorfman

April 13, 1961

Miss Kato, Secretary to
Mr. James R. Hoffa
25 Louisiana Avenue, N. W.
Washington 1, D. C.

Dear Miss Kato:

Please send to me three local union teamster rosters.

Thank you.

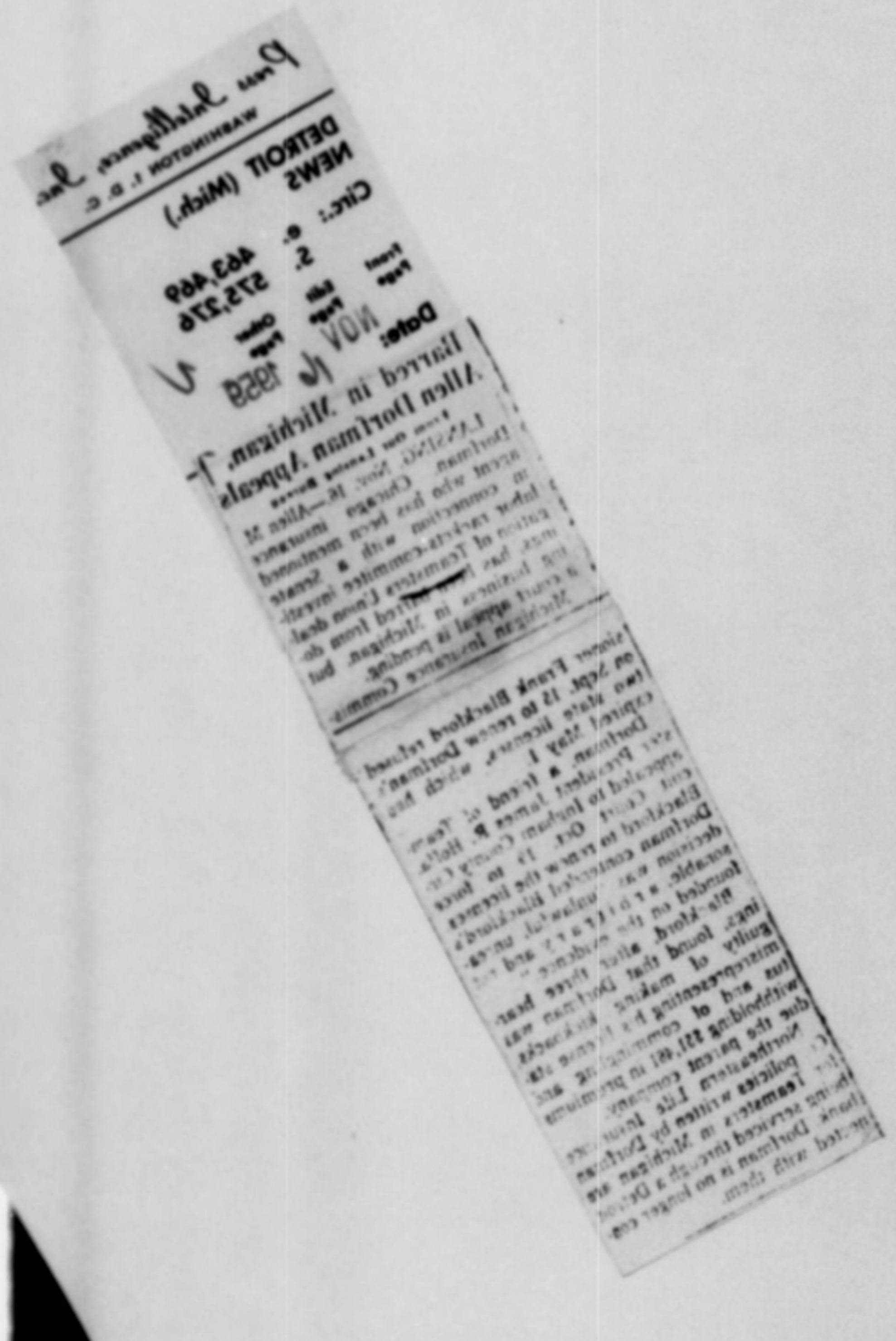
Sincerely,

Allen Dorfman

ALLEN DORFMAN

lf/

Dorf
Allen M.



Press Intelligence, Inc.
WASHINGTON 1, D. C.

DETROIT NEWS (Mich.)

Circ.: e. 463,469
S. 575,276

Front Page
Edit Page
Other Page 2

Date: NOV 16 1959

Barred in Michigan, Allen Dorfman Appeals

From Our Lansing Bureau

LANSING, Nov. 16—Allen M. Dorfman, Chicago insurance agent who has been mentioned in connection with a Senate labor rackets committee investigation of Teamsters Union dealings, has been barred from doing business in Michigan, but a court appeal is pending.

Michigan Insurance Commissioner Frank Blackford refused on Sept. 15 to renew Dorfman's two state licenses, which has expired May 1.

Dorfman, a friend of Teamster President James R. Hoffa, appealed to Ingham County Circuit Court Oct. 19 to force Blackford to renew the licenses.

Dorfman contended Blackford's decision was "unlawful, unreasonable, arbitrary and not founded on the evidence."

Blackford found, after three hearings, that Dorfman was guilty of making kickbacks, misrepresenting his license status and of commingling and withholding the $51,691 in premiums due the parent company, Northeastern Life Insurance Co.

Teamsters policies written by Dorfman being serviced in Michigan are handled by Dorfman through a Detroit bank. Dorfman is no longer connected with them.

ADMINISTRATIVE FILE
Dorfman, Allen M.
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Press Intelligence, Inc.
WASHINGTON 1, D. C.

CHICAGO (Ill.)
SUN-TIMES

Circ.: m. 534,063
S. 632,432

Front Page Edit Page Other Page 6

Date: NOV 18 1959

Hunt Dorfman Link In Teamster Deal

The Illinois Department of Insurance began an investigation Tuesday to determine whether Allen M. Dorfman is involved in the operations of Summit Fidelity & Surety Co. of Akron, Ohio.

Lawrence A. Berman, chief attorney for the department here, said he wants to find out what business relationship, if any, exists between Dorfman and Sol C. Schwartz, secretary-treasurer of Summit's Illinois agency.

Teamster Bonding

Summit has accepted applications for bonds from some 400 locals of the International Brotherhood of Teamsters — business totaling an estimated $3,000,000 and having a $6-[illegible],000 potential from members' sources.

Dorfman's Union Insurance Agency, 9 E. Huron, has handled health-and-welfare insurance for the union's Central States Conference in multimillion-dollar amounts.

Joseph S. Gerber, Illinois insurance director, revoked Dorfman's state insurance broker's license for alleged mishandling of $51,461.66 in insurance premiums paid by laid-off members of Local 1031, International Brotherhood of Electrical Workers. Dorfman later was granted a court stay of the revocation, pending an appeal for review of the order.

Schwartz, an independent insurance broker, is known to carry on some of his business operations in space at Dorfman's firm.

New Law's Provisions

The new labor law that became effective last Friday sets up stringent bonding provisions for money-handling union officials.

Neither Schwartz nor Dorfman could be reached for comment. But Irwin S. Weiner, president of Summit's Illinois agency, 134 N. La Salle, declared that Dorfman is not involved in any of the agency's business.

Summit's license was revoked in Massachusetts for failure to comply with state laws. The Massachusetts Supreme Court upheld the revocation by a lower court in 1955.

Summit's activities in connection with its plans to write bonds for teamsters' officials also have been investigated by the Senate rackets committee.

Records at the Illinois Insurance Department show that Allen S. Blank, board chairman of Summit, also is president of the Reserve Insurance Co., 180 W. Adams. He was unavailable for comment.

An examination by the Ohio Insurance Department in September, 1958, of the Summit firm disclosed that Reserve bought all of Summit's 2,000 shares on Feb. 13, 1956. Five shares have been given to the directors to qualify them for the board.

ADMINISTRATIVE FILE

Dorfman, Allen M.

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Press Intelligence, Inc.

WASHINGTON 1, D. C.

ST. LOUIS (Mo.)
GLOBE-DEMOCRAT

Circ.: m. 332,823
s. 373,939

Front Page | Edit Page | Other Page

Date: OCT 10 1959

Hoffa's Pal A. M. Dorfman Loses Permits

Used Teamster Funds Illegally, Illinois Claims

CHICAGO.—The revocation of the state insurance broker's and agent's licenses of Allen M. Dorfman, who collected multi-million dollar commissions by insuring Teamster Union welfare plans, was ordered Friday by Joseph Gerber, Director of the State Insurance Department.

Mr. Gerber followed the recommendation of Lawrence A. Berman, department attorney, who ruled that Mr. Dorfman illegally withheld for personal use $51,981 representing premiums received from group policy holders in a labor union while they were not working.

Mr. Dorfman's attorney, Stanford Clinton, said he would appeal the ruling.

Mr. Dorfman is a close friend of James R. Hoffa, Teamster Union president.

Mr. Dorfman, with his mother, Rose, runs the Union Insurance Agency of Illinois. In the last several months Mr. Dorfman's insurance licenses in Michigan and New York have also been revoked.

The State Insurance Department acted on evidence from the Senate Labor Rackets Committee which revealed that Mr. Dorfman deposited into his bank account the $51,981 in premiums from unemployed members of Local 1031, International Brotherhood of Electrical Workers, instead of turning the money over to the Northeastern Life Insurance Company of Mount Vernon, N.Y.

Mr. Dorfman had insisted that he thought he had the right to do anything he wanted with the premiums.

The order means that he cannot reapply for an insurance license here for two years.

Press Intelligence, Inc.
WASHINGTON 1, D. C.

DETROIT (Mich.) NEWS

Circ.: e. 463,469
S. 575,276

Front Page
Edit Page
Other Page

Date: SEP 23 1959

TAKING TIME OUT

Blackford to Study for Law Degree

By DON HOENSHELL
Of Our Lansing Bureau

LANSING, Sept. 23.—Insurance Commissioner Frank Blackford will leave state government in 1961 to finish work on a law degree.

It will be the next step in a career in government which started a decade ago on the Michigan State University campus.

He expects to return to some governmental post.

"Everyone who doesn't have a law degree and works in a position where the law is king is frustrated," he said.

Blackford, at 40, has a master's degree from MSU in political science and public administration, 10 years in four state offices, an understanding wife and two children.

COMMUTES THIS YEAR

He is a member of the Democratic team around Gov. Williams.

Blackford, who started commuting from Lansing to the Detroit College of Law one night a week for two classes this fall, will make it two nights a week next year.

"Then I'll take off whatever time it takes to finish," he said.

He doesn't know whether he will return then to state government, go into some federal or local office, accept some of the invitations he gets from other states, or become a teacher.

Blackford, a protege of Controller James W. Miller who was an MSU professor before he came to the capital, started as an administrative assistant to Williams in 1951.

SPURNED $1,000

When Williams appointed his legal adviser, Clark J. Adams, to the Supreme Court, Blackford became the governor's voice in the legislative corridors.

Then the governor assigned Blackford to head the Liquor Control Commission in 1951.

While there, two women slipped an envelope containing $1,000 on his desk. Blackford called State Police.

In July, 1957, Blackford became executive secretary of the four major public employe retirement systems and state social security administrator for all public employes.

Last Jan. 1, 1959, he was appointed insurance commissioner, taking a $2,500-a-year cut in pay.

In recent months he conducted [illegible] on the licenses of Allen M. Dorfman, insurance agent in Michigan for the Teamsters' union and friend of James R. Hoffa.

Blackford barred Dorfman from doing insurance business in Michigan.

FRANK BLACKFORD

STILL UNCONFIRMED

For Williams, Blackford helped promote the St. Lawrence Seaway, worked as a researcher for the Legislative Committee for State Government Reorganization (Little Hoover Commission), and helped organize a commission on problems of the aging and a "little cabinet" of agency heads, a personnel council for executives.

Blackford is still unconfirmed by the Senate as insurance commissioner.

Of Gov. Williams, Blackford said:

"He's the best boss I've ever had."

Blackford, when he gets his law degree, wants to get back into the executive side of government somewhere.

While he loves politics, he is uncertain whether he will ever run for office.

"At my age, I don't ever plan to go into practice as a lawyer," he said. "But, I'm too young to stand still."

Press Intelligence, Inc.
WASHINGTON 1, D. C.

DETROIT (Mich.)
NEWS

Circ.: e. 463,469
S. 575,276

Front Page Edit Page Other Page

Date: SEP 15 1959

State Bans Teamster Insurer

Dorfman, Agent and Hoffa's Pal, Denied License

By DON HOENSHELL
Of Our Lansing Bureau

LANSING, Sept. 15.—State Insurance Commissioner Frank Blackford today barred a Chicago agent, who writes $20,000,000 a year in Teamsters Union policies, from doing business in Michigan.

He is Allen F. Dorfman, 36, dapper pal of Teamster boss James R. Hoffa. Dorfman's income averages $500,000 a year from union policies.

"I would very logically deny any application for any employe of Dorfman to resume secretly the business," Blackford said.

LICENSES EXPIRE

Dorfman's Michigan licenses as an agent for the Dover Insurance Agency Ltd. and the Union Insurance Co. of Illinois, both in Chicago, expired April 1, and renewal applications had been held back pending Blackford's decision.

After three long and dramatic hearings, Blackford found Dorfman guilty of three violations of Michigan insurance laws—misrepresenting his license status, paying kickbacks and misusing union funds.

Dorfman is expected to appeal the Blackford decision to Ingham Circuit Court.

Blackford said Dorfman applied for licenses to represent the Northeastern Life Insurance Co. in Michigan after losing the same right in Illinois, and after

ALLEN F. DORFMAN

* * *

AGENT

Continued from Page One

the parent company canceled his contract.

MAKES APPLICATION

Dorfman applied for the licenses to represent Northeastern after his only legal agency business in Michigan was transferred to the Republic National Life Insurance Co., of Texas

Michigan law requires an agent to be licensed identically in his home state.

"I cannot accept Dorfman's contention that efforts to secure renewal of two nonresident agent's licenses on behalf of Northeastern, after his association with said company was terminated and while not licensed to represent said company in Illinois, was due to inadvertance," Blackford said.

"Neither can we accept the argument . . . that the utilization of $31,461 of layoff premiums for three years for personal or agency purposes was not contrary to the law."

Testimony showed that Dorfman put the money into his personal bank account, upon which he and his wife wrote checks for personal items.

It was repaid to Northeastern in two installments, the last $12,000 after Senate labor rackets committee investigators found Dorfman still owed the money to the insurance company.

Blackford denied the contention of Dorfman's lawyer that the intermingling of personal and premium money was with the tacit approval of the company.

The third charge, that Dorfman paid a $726 six-month premium on a $50,000 life insurance policy for Hoffa and other sums on policies for other Teamster leaders, was defined by Blackford as an illegal kickback.

POINT NOT PROVED

Blackford said that Dorfman's contentions that Hoffa repaid the money and that advances for premiums to policyholders is common in the insurance field could not be proved.

Dorfman is the son of Paul Dorfman, identified by the Senate labor rackets committee as a former leader of a waste handlers' union in Chicago, who helped Hoffa gain a foothold in the city's labor movement.

Blackford said his decision

FRANK BLACKFORD

would not bar the parent insurance companies from assigning another agent to write and service the $4,000,000 a year in policies written for the Michigan Council of Teamsters.

Dorfman also writes $16,000,000 in policies for the Central States Council of Teamsters.

Since Dorfman's Michigan licenses expired, the Teamster premiums have been paid directly into a Detroit bank for transfer to the company, by passing Dorfman.

ADMINISTRATIVE FILE

Dorfman, Allen M.

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Teamster Insurance Fight Nears Climax

By DON HOENSHELL
Of Our Lansing Bureau

LANSING, Sept. 1. — A Teamster's Union insuranceman, Allen M. Dorfman, staged a last-ditch fight today to keep the Michigan share of his $20,000,000-a-year business.

Dorfman is threatened with loss of two licenses to write policies in Michigan for Teamster locals.

State Insurance Commissioner Frank Blackford called Dorfman, and his attorney, Stanford Clinton, of Chicago, and assistant Atty.-Gen. Jerry S. Cohen for final arguments in a three-part hearing started in March.

"I'm just going to state the proved facts in the case, and that should take about an hour," said Cohen.

LINK SENATE INQUIRY

Cohen, a former newspaperman who is now acting chief of the attorney general's criminal division, is pitted against the veteran Clinton, a top-ranking union lawyer.

The license case has been tied in with the Senate labor rackets committee investigation of Teamster Union activities and the union president, James R. Hoffa.

The committee said last month that Dorfman got the multistate Teamster insurance account after his father, Paul, a Chicago union leader, helped Hoffa in an organizing campaign there.

CHARGE 3 VIOLATIONS

The younger Dorfman, 36, who estimated his income from Teamster policies at $300,000 a year between 1955 and 1957, is charged with three violations of the Michigan insurance code. They are:

1. Acceptance of kickbacks in the form of insurance premiums from Hoffa and Frank Fitzsimmons, a Hoffa lieutenant.

Dorfman said Hoffa repaid $726 advanced by a Dorfman agency in payment of a premium on a $50,000 life insurance policy, and Fitzsimmons repaid $1,221 advanced on policies on himself and his son, Gary.

2. Violation of fiduciary trust laws, holding back $51,461 in layoff premiums between 1954 and 1957, mingling the funds with Dorfman's personal accounts and finally passing the money on to the Northeastern Life Insurance Co., in two installments.

EXPIRED APRIL 1

3. Application for renewal of his licenses in Michigan for his Dever Insurance Agency Ltd., and the Union Insurance Agency, both of Chicago, weeks after Northeastern canceled his contract.

The licenses expired last April 1, and are being held in abeyance pending a decision.

Testimony of state witnesses showed Dorfman wrote two policies in Michigan after his licenses had expired in this state and he was also unlicensed in his domicile state, Illinois, another legal requirement.

Dorfman's defense is that the parent insurance company owed him more in commissions than he held back, that the fiduciary trust agreement was not violated, and that the timing of the license renewals applications was due to an error in his office.

CAN'T CALL EMPLOYE

Dorfman testified July 28 that Hoffa and Fitzsimmons had repaid the advanced premiums.

Clinton and Dorfman refused to allow state investigators to question Sivian Roth, Dorfman's bookkeeper who was described as the only source of proof that Hoffa and Fitzsimmons made the repayment.

Under the law, the State Insurance Department has jurisdiction over licensees, but not employes of the agencies.

Press Intelligence, Inc.
WASHINGTON 1, D. C.

DETROIT (Mich.)
NEWS

Circ.: e. 463,469
S. 575,376

Front Page Edit Page Other Page

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SEP 1 1959

Press Intelligence, Inc.
WASHINGTON 4, D. C.

CHICAGO (Ill.)
SUN-TIMES
Circ.: m. 534,063
S. 692,432

Front Page / Edit Page / Other Page

Date: AUG 9 1959

STATE: Payoff Charged To Hoffa

The Chicago underworld, charged the Senate rackets committee on Wednesday, received about $1,650,000, in eight years from teamster union funds "to pay off a long-standing debt." The money allegedly went to Paul Dorfman of Chicago, who was said to have [illegible] Teamster leader [illegible] "to the Midwest mob." Hoffa became head of the teamsters union in 1957.

Dorfman and his son, Allen M., did business in Central States Conference (teamsters) welfare fund policies valued at more than $3,000,000 in the last eight years. The $1,650,000 represented what the committee called "excess commissions."

In separate action, Allen M. Dorfman, in an Illinois Insurance Department license hearing, insisted he had done no wrong in withholding electrical workers' union insurance payments and temporarily using the money as he saw fit.

A COMMITTEE OF THE CHICAGO Bar Assn. rebuked State's Atty. Benjamin S. Adamowski for "reckless, inflammatory," and unethical criticism of Criminal Court judges. The committee report, approved by the association's board of managers, followed an investigation of Adamowski's "professional propriety."

State's attorney's and sheriff's police raided 14 gambling establishments in Schiller Park, Franklin Park and Cicero, seizing 80 persons, slot machines and other gambling paraphernalia. . . . The new executive director of the Commission on Youth Welfare in Chicago promised to start programs in three neighborhoods by Oct. 1 to combat juvenile delinquency. Charles P. Livermore spoke to reporters in Mayor Daley's office.

At a National Labor Relations Board hearing in Chicago, spokesmen for Local 777, Chicago Taxicab Drivers Union, the Yellow Cab Co. and the Checker Cab. Co. sought to exclude their organizations from NLRB jurisdiction. Joseph P. Glimco, president of the local, had his driver's license revoked because of traffic convictions. . . . A Lake County grand jury expressed its "shock and dismay" at Gov. Stratton's veto of a bill outlawing pinball machines used as gambling devices.

ELSEWHERE IN THE CHICAGO AREA: Cook County reported an increase of 586 in recipients of relief in July as compared to June. . . . Chicago said 31,190 families were relocated since 1950 to make room for public works projects. . . . Representatives of 18 civic groups supported Daley's proposal for the location of a University of Illinois Chicago campus in an area south of the Loop.

Death came to veteran Chicago Fire Department battalion chief Daniel J. Ahern, 88; Dr. Harry Culver, 73, noted urologist, former Cook County Hospital department head; Samuel A. Bingham, 77, manufacturer; Charles D. Youngblood, 70, labor union leader; James Malman, 82, banker; Harry Goldstine, 67, retired executive; Eugene T. Turney, 97, musician and inventor; Waldo W. [illegible]aly, 79, city employe; Ben Moschel, 66, civic leader; Ben Scott, 56, restaurateur; Mrs. M. Y. Dallman, 77, wife of a Springfield (Ill.) editor.

Press Intelligence, Inc.
WASHINGTON 1, D. C.

NEW YORK (N.Y.) TIMES

Circ.: m. 600,319
S. 1,221,337

Front Page Edit Page Other Page

2-C

Date: AUG 7 1959

TEAMSTER INSUROR ASSAILED IN ILLINOIS

Special to The New York Times.

CHICAGO, Aug. 6—Allen M. Dorfman, a young Chicago broker who wrote insurance for the welfare funds of the International Brotherhood of Teamsters, kept for his use $51,461 that belonged to a New York insurance company, Illinois of- ficial company of Mount Vernon, N. Y., were introduced into evidence as the State Insurance Department opened a hearing on whether to revoke his Illinois insurance license.

The checks were written by Mr. Dorfman to himself and to investment and oil well concerns, according to Robert Diehl and Vaughan Woodruff, lawyers for the State Insurance Department.

The hearing was before Lawrence A. Berman, a hearing officer for the insurance department.

Mr. Dorfman has contended that the $51,461 in Northeastern Company premiums were placed in his private account by mistake. In 1957, when his insurance agency was under scrutiny by Congressional investigators, he refunded $39,000 to the Northeastern Company.

As a result of disclosures by the Senate Select Committee on Improper Activities in the Labor or Management Field, State insurance officials in Illinois, Michigan and Kentucky have moved to revoke his licenses in their states.

Press Intelligence, Inc.
WASHINGTON 1, D. C.

CHICAGO (Ill.)
TRIBUNE

Circ.: m. 868,455
S. 1,188,042

Front Page ____ Edit Page ____ Other Page 6

Date: AUG 6 1958

RED DORFMAN CHUMMY WITH TOP MOBSTERS

Called Hoffa's Link to Underworld

Paul (Red) Dorfman, 59, described by the Senate rackets committee as the link between the underworld and Teamster President James R. Hoffa, is on a first name basis with top Chicago and eastern gangsters.

The list of Dorfman's hoodlum buddies almost is roll call of upper echelon mob chiefs from New York City to Chicago.

It includes Tony Accardo, former Chicago gang boss; York ex-convict and labor racketeer; Joseph (Joey) Glimco, hoodlum boss of the Chicago Taxicab Drivers union; Abner (Longy) Zwillman, a [illegible] died mysteriously early this year; Claude Maddox, a crime syndicate [illegible] boss who died in 1958, and others.

Not Ashamed of Friends

In congressional investigations, Dorfman consistently has refused to talk about his mob associations on the ground that a truthful answer might land him in prison.

Off the witness stand, however, he admits openly that he knows Accardo, Dioguardi, and all the rest, and is not ashamed of their friendship.

"I know bankers, management officials, and civic leaders, too," he said as the Senate investigation began. "No one gives me credit for that, tho."

At Hoffa's Elbow Here

Dorfman can be found at Hoffa's elbow whenever the teamster union president stops at the Shoreland hotel. Dorfman's buddies with Chicago underworld figures and eastern gangsters take place in the Erie cafe, 658 N. Wells, according to the Senate committee.

The committee charged that Dorfman's wife, Rose, and his son, Allen, collected 3 million dollars in commissions and fees on teamster union welfare insurance since 1950. More than $1,600,000 represented overcharges against the union, the committee alleged.

This Dorfman bonanza, the committee charged, was a payment by Hoffa to square "a long standing debt to the Chicago underworld."

Booted out of AFL-CIO

Dorfman, former boss of a junk handlers' union, always denied that he profited from his family's insurance business. But he was booted out of the AFL-CIO on findings that he gained about $100,000 a year from the insurance accounts.

The Dorfman family enterprises — eleven insurance agencies and 10 other firms — operate out of a two story office at 9 E. Huron st. The insurance departments of Illinois, Michigan, and Kentucky moved to revoke the insurance licenses held by Allen Dorfman because of disclosures by the Senate committee.

The elder Dorfman gained his nickname, Red, as a featherweight fighter. He took over the Waste Material Handlers union, local 20467, in 1940 after another junk handlers' union broke up over the murder of its founder, Leon R. Cooke.

Son's Income Skyrockets

Allen Dorfman was earning $100 a week in 1949 when Hoffa threw him the teamster union insurance business. By 1954, the younger Dorfman's income had skyrocketed to $166,000, while the income of his mother rose proportionately, hitting $158,000 in the same year.

All of the Dorfmans have denied that they were required to kick back any money to Hoffa. Senate investigators, however, have been unable to trace more than $330,000—almost $100 a day—which was siphoned out of the Dorfman agencies in checks and withdrawals between 1949 and 1957.

Press Intelligence, Inc.
WASHINGTON 1, D. C.

CHICAGO (Ill.)
NEWS

Circ.: e. 547,796

Front Page Edit Page Other Page 5

11

Date: AUG 6 1959

ALONG WITH HOFFA

Dorfmans Eligible For Mob 'Register'

If gangsters and hoodlums have a social register, Paul J. Dorfman and his son, Allen M., are in it with their close associate, Teamster President James R. Hoffa.

The Senate rackets investigating committee has charged that Paul Dorfman introduced Hoffa to Midwest mob society.

• • •

THE Dorfmans, through mob and labor union connections, amassed a fortune in a few years by setting up an insurance company with $5,000.

They snared a vast share of the gigantic health-welfare insurance of the Teamsters and several other unions for their insurance outfit.

The Senate committee charged that Hoffa used $3 million of Teamster money "to pay off a long-time debt to the Chicago underworld and to the corrupt labor leader who introduced him to Midwest mob society—Paul Dorfman."

• • •

PAUL DORFMAN was held so corrupt and remiss as secretary-treasurer of AFL-CIO Federal Local 20467, Waste Material Handlers union, a group of 1,000 junk yard workers, the AFL-CIO kicked him completely out of the federation in December, 1957.

Dorfman had run the union for nearly 18 years.

Dorfman, nick-named "Red," is a pug-nosed, freckle-faced tough who used to be a prize fighter, with a police record.

Congressional committees have probed his family's insurance company, the Union Insurance Agency of Illinois, 8 E. Huron, since 1953—three years after it was organized.

Dorfman, 58, of 5801 Sheridan rd., was born on Chicago's West Side.

HE WAS indicted in October, 1928, on charges of conspiracy in connection with the April primary that year.

He was charged with having altered ballots in the 12th precinct of the 24th ward in favor of then State's Attorney Robert E. Crowe and other "America First" candidates.

Criminal court records show no disposition of the case.

Daniel A. Gilbert, former chief investigator for the state's attorney's office, said that Dorfman showed up in March, 1940, at a meeting of Federal Local 20467, plunked down a few dollars as union dues — and was made secretary-treasurer of the union.

• • •

DORFMAN was arrested March 18, 1942, on a charge of assault to commit mayhem in connection with the beating of an official of a junk dealers' association, but later was freed.

Dorfman and Hoffa owned a summer resort in northern Wisconsin and also had other joint investments.

Whenever Hoffa is in Chicago, Dorfman usually is his chauffeur, driving Hoffa from the Teamsters' suite in the Shoreland hotel, 5454 S. South Shore dr., to business meetings.

Dorfman's wife, Rose, a former milliner, is a partner in the insurance agency — though Paul contends he has nothing to do with it.

Allen, 32, of 1288 Sheridan rd., Highland Park, attended the University of Illinois and had a commendable record in the Marines in World War II. His father put him in the insurance business after his discharge from service.

Press Intelligence, Inc.
WASHINGTON 1, D. C.

CHICAGO (Ill.)
AMERICAN

Circ.: e. 519,119
S. 621,299

Front Page / Edit Page / Other Page

Date: AUG 6 1959

The Myth of Hoffa's Loyalty

THE CAREFULLY fabricated myth has it that James R. Hoffa, while perhaps a little rough, is still a devoted guardian of the interests of teamster union members.

But his true quality as a protector of the working man is now made clear in the Senate rackets committee's announcement that he has paid "a long standing debt to the Chicago underworld" with 3 million dollars taken out of the teamsters' health and welfare funds.

The actual recipients of the money have been Paul Dorfman — whom the Senate committee describes as "the man who introduced Hoffa to midwest mob society" —and Dorfman's wife and son.

★

IN 1950, Dorfman, having been fired out of his job as a union official, went into the insurance business, a field in which he had had no experience, and was given nearly all the teamster union's insurance business.

Since that time, the rackets committee report said, the health and welfare benefits of teamster union members have been greatly reduced, but charges for the insurance have been sharply raised. Of the 3 million dollars paid to the Dorfmans since 1950 as insurance premiums and commissions, $1,650,000 were overcharges against union members.

Obviously Hoffa has been no faithful watchdog over the rights of union members in this situation.

★

NEITHER has he been in some others, as the Senate committee pointed out in another phase of its report. It said that, tho the teamsters get high wages in many parts of the country, in other places "Hoffa has permitted his close associates to sign contracts [with employers] that are disgracefully low. In his own back yard, in Detroit, teamster union car washers work for as little as $2.50 a day for a 10 hour day."

The committee said "the arrogant attitude of Hoffa and other teamster leaders that they are above the law" was a serious danger to the people of the United States and a threat to the existence of decent unionism.

Hoffa's reply: "To hell with them."

Don't you think it is time for Congress to pass a labor reform bill with enough power in it to drive Hoffa and his kind out of the labor movement?

Press Intelligence, Inc.
WASHINGTON 1, D. C.

CHICAGO (Ill.)
NEWS

Circ.: e. 547,796

Front Page Edit Page Other Page 17-71

Date: JUL 30 1959

More Woes Ahead for Hoffa Pal

Dorfman Ordered To Kentucky Quiz

Troubles continued to pile up Thursday for Allen M. Dorfman, Chicago insurance agent, because of his business dealings with Teamsters Union boss James R. Hoffa.

Sad Thurman, Kentucky insurance commissioner, ordered Dorfman and his associate, Sol C. Schwartz, to appear in Frankfort on Aug. 14 and explain why their license to operate in Kentucky should not be suspended or revoked.

They are licensed there as non-resident insurance agents.

* * *

MICHIGAN'S insurance commissioner, Frank Blackford, has set Sept. 1 for hearing on Dorfman's fitness to hold a license in that state.

Dorfman testified Wednesday at a hearing in Lansing that he was repaid for premiums he advanced for a $50,000 life insurance policy on Hoffa.

JACKSON (Mich.)
CITIZEN-PATRIOT

Circ.: e. 36,617
S. 37,169

Front Page
Edit Page
Other Page

JUL 2[illegible] 1959

19

Agent Paid Premium on Hoffa Policy

Lansing - A young Chicago insurance agent has testified he paid a premium on a $50,000 life insurance policy issued for Teamster President James R. Hoffa of Detroit.

"But he paid me back. Hoffa doesn't owe me a cent," said Allen M. Dorfman, 36, who reported doing a four million dollar yearly insurance business with Michigan Teamsters.

ADJOURNED

Dorfman testified Tuesday before state insurance commissioner Frank Blackford in a continuation of a hearing to show cause why his Michigan insurance license should not be revoked.

The hearing was adjourned until Sept. 1.

Stanford Clinton, attorney for Dorfman, asked dismissal because of lack of evidence of a charge that Dorfman paid the premiums on 13 policies issued by one or more of his 14 agencies. Blackford said he would rule on the request upon resumption of the hearing.

Dorfman also testified he paid an $875 premium on a policy issued for Frank E. Fitzsimmons, Detroit teamster official, and a $246 premium on a policy issued in the name of Fitzsimmons and his son. Both of these payments also were refunded, he said.

Dorfman previously testified he made about $200,000 annually from the group insurance policies for some 34,000 Michigan teamsters. He also writes policies covering more than 100,000 other teamsters in the union's central states conference.

LICENSE CHANGE

The insurance commission also charged Dorfman temporarily appropriated for his agency $91,801 in premiums from teamsters group insurance plans in 1954 remitting them to the insurer, the Northeastern Life Insurance Co., three years later.

It also charged he obtained a nonresident Michigan license last year as agent for Northeastern when he no longer had a contract with the company.

ADMINISTRATIVE FILE

Dorfman, Allen M.

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Press Intelligence, Inc.
WASHINGTON 1, D. C.

CHICAGO (Ill.)
TRIBUNE

Circ.: m. 868,455
S. 1,188,042

Front Page Edit Page Other Page 4-1

Date: OCT 10 1959

VOID LICENSES OF INSURANCE MAN DORFMAN

State Acts on Basis of Senate Probe

Revocation of Allen M. Dorfman's state licenses as an insurance broker and agent was ordered Friday by Joseph Gerber, director of the state insurance department. The states of Michigan and New York took similar action in the last few months.

Dorfman, who collected millions of dollars in commission on union welfare plans, cannot reapply for an Illinois insurance license for two years.

Gerber followed recommendations of Lawrence A. Berman, department attorney. Gerber ruled that Dorfman illegally withheld for personal use $51,461 in premiums received from group policy holders in a labor union while they were not working.

Dorfman to Appeal

Dorfman's attorney, Stanford Clinton, announced that he would appeal the ruling next week in Circuit or Superior court and ask for a stay of the order. Clinton assailed the ruling as "a gross miscarriage of justice that is equivalent to handing down a death penalty for a traffic violation."

Clinton said that Dorfman, a close friend of James R. Hoffa, president of the International Teamsters union, is "stunned and doesn't know what's happening." The attorney added that Dorfman was guilty only of a "technical error" in the handling of the funds.

Acts on Separate Evidence

Dorfman, with his mother, Rose, owns the Union Insurance Agency of Illinois, 9 E. Huron st.

The state insurance department acted on evidence from the senate labor rackets committee. Witnesses testified that Dorfman deposited the $51,461 in his own bank account. It represented premiums from unemployed members of local 1031, International Brotherhood of Electrical workers, and should Northwestern Life insurance company of Mount Vernon, N. Y., testimony asserted.

Held "Untrustworthy"

The Illinois insurance department opinion stated: "Dorfman had not demonstrated trustworthiness and competency to transact business as an insurance agent or broker in such a manner as to safeguard the public."

Gerber said Dorfman violated a state statute under which an insurance agent cannot hold premiums for more than 90 days and must transfer funds to the parent organization.

Dorfman said he thought he had a right to do anything he wanted with the premiums. He added that Northwestern owed him "at times" the amount of the premiums he withheld.

ADMINISTRATIVE FILE

Dorfman, Allen M.

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Press Intelligence, Inc.
WASHINGTON 1, D. C.

CLEVELAND (O.) NEWS

Circ.: e. 143,604

Front Page | Edit Page / | Other Page

Date: OCT 2 1959

Michigan Halts Hoffa Insurance Pal

While we've been needling our neighbor Michigan on its financial difficulties and its failure to provide a tax climate for industry as benign as Ohio's, we applaud one recent action by that state.

Michigan's insurance commissioner, Frank Blackford, has ruled that no longer can Chicago insurance agent Allen M. Dorfman, broker for 34,000 of James R. Hoffa's teamsters in Michigan, handle policies in that state. Hearings on Dorfman's fitness to operate in Michigan left "no doubt that he infringed on and violated the privileges conferred upon him through the non-resident agent's license."

Blackford said Dorfman's use of more than $51,000 in "lay-off premiums" for about three years for personal or agency purposes was contrary to law.

Dorfman has been linked by the Senate Rackets Committee in Washington to an alleged multi-million dollar union swindle. Before the committee, it was charged that Hoffa channeled $3-million in union welfare funds to Chicago mobsters through Dorfman's agency.

ADMINISTRATIVE FILE

Dorfman, Allen M.

X

X

Press Intelligence, Inc.
WASHINGTON 1, D. C.

LANSING (Mich.) STATE JOURNAL

Circ.: e. 63,999
S. 63,202

Front Page | Edit Page | Other Page

Date SEP 15 1959

Risk Agent Rejected

Teamsters' Dorfman Can't Do Business In Michigan

(State Journal Capitol Bureau)

Allen M. Dorfman was told Tuesday he cannot do any more insurance business in Michigan.

Dorfman has been the insurance agent for the Michigan Conference of Teamsters. His commissions have been about $200,000 a year on about $5 million in Teamsters' business.

Frank Blackford, state insurance commissioner, issued his ruling that Dorfman is "not a fit and proper person" to hold non-resident agent's licenses in Michigan.

The ruling followed detailed hearings that began in March, in which Dorfman was charged with misrepresentations on his applications for non-resident licenses for Dover Insurance Agency, Ill., and Union Insurance Agency of Illinois; paying premiums on life insurance policies for James R. Hoffa, Teamsters' president; Frank Fitzsimmons, Detroit Teamsters' official, and his son; and mishandling $51,000 in premiums paid by a Chicago labor union.

"The facts brought out in the course of the hearing leave no doubt that Dorfman has infringed on and violated the privileges conferred upon him through the non-resident agent's licenses granted by the state of Michigan," Blackford ruled.

On the specific charges, Blackford decided:

Misrepresentation on applications — "I cannot accept Dorfman's contention" that irregularities were "due to inadvertence." Even if the argument were accepted "it would indicate a continuing administrative procedure which is not consistent with minimal standards of operation for an insurance agency."

Mishandling premiums—"The law of the jurisdictions involved imposes upon agents an obligation to treat such moneys as fiduciary funds and in a fiduciary capacity." Blackford rejected Dorfman's contention the insurance company agreed that Dorfman could intermingle premiums with private and agency funds. Involved was $51,461 in premiums on lay-off policies which Blackford found were not remitted to the Northeastern Life Insurance company for up to three years.

INFORMATION LACKING

Paying Teamster officials' premiums—"It is the law of Michigan that no insurance agent shall allow, give, set-off or pay, directly or indirectly, any rebate of, or part of, the premium payable on any policy of insurance. It was not disputed that such payments were made on behalf of three policyholders. Neither was there refutation of the fact that such payments were carried as accounts receivable approximately one year after such payments had been made by the Dover agency." Although Dorfman testified repayment had been made, Blackford found "he was unable to give information as to when, how or under what circumstances repayment was affected."

When the Dorfman hearings began, the question was on revocation of his licenses which expired April 1. The final decision, coming several months later, was to deny renewal of the licenses.

Dorfman, who is licensed in a dozen other states, had his New York agent's license revoked about four years ago, Blackford said.

Blackford said Dorfman has the legal right to appeal the decision in circuit court.

ADMINISTRATIVE FILE

Dorfman, Allen

X

X

Press Intelligence, Inc.
WASHINGTON 1, D. C.

LOUISVILLE (Ky.)
COURIER-JOURNAL

Circ.: m. 216,645
S. 310,371

Front Page
Edit Page
Other Page

Date: SEP 11 1959

HEARING 'EVIDENCE' CONTESTED . . . Chicago lawyer Stanford Clinton protested introduction of United States Senate Rackets Committee testimony he is holding at a Kentucky insurance commission hearing in Frankfort yesterday against Allen M. Dorfman.

Charges Against Two Hoffa Aides Dwindle To A 'Misrepresentation'

Insurance Unit Ends Hearings

By HUGH MORRIS
The Courier-Journal Bureau

Frankfort, Ky., Sept. 10.—The Insurance Department's complaint against two associates of Teamsters Union President James R. Hoffa dwindled Thursday. It finally came down to an accusation against one of them that he made a "material misrepresentation" in applying for a Kentucky license as a nonresident insurance agent.

Insurance Commissioner Cad P. Thurman had cited Allen M. Dorfman, Chicago, and Sol C. Schwartz, Lincolnwood, Ill., a business associate, to show why their licenses to do insurance business in Kentucky should not be suspended or revoked.

Questioning Stopped

Most of the hearing was taken up by arguments between J. Douglas Ackman, attorney for the Insurance Department, and Stanford Clinton, Chicago, attorney for Dorfman and Schwartz, over admissibility of two volumes of reports of the Senate Rackets Committee involving Dorfman.

Assistant Attorney General Earle V. Powell, sitting as hearing officer, withheld a ruling on admissibility of the Senate committee's reports and stopped Ackman from basing questions directed at Dorfman on contents of the reports.

Ackman conceded, in summing up, that the department had virtually no case against Dorfman if the Senate committee's reports were excluded. His entire final argument was to charge that Dorfman had given an improper answer to one question on his application for a Kentucky license.

Kennedy Sent Reports

No charges or proof were presented by Ackman against Schwartz.

The Senate committee's reports were sent to Thurman by the committee's counsel, Robert F. Kennedy. Thurman's citation against the two men stemmed from these reports, which linked the men to insurance dealings of Hoffa and the Teamster Union's central conference health and welfare funds.

Under State law, Thurman is empowered to suspend, revoke, or refuse licenses to any person he deems untrustworthy or of bad reputation, or if he believes the license would not be in the public interest.

Attorney Clinton was vehement in his denunciation of the Senate committee's counsel and the reports. He called the report "drivel . . . hearsay . . . unverified and unsworn testimony taken without an opportunity to cross-examine . . . claims dreamed up by Mr. Kennedy."

'Unadulterated Nonsense'

"To describe as evidence what went on before that committee is pure unadulterated nonsense," Clinton asserted. "These documents would so infect these proceedings as to destroy any semblance of fairness and due process. All they can do is prejudice the mind of the hearing officer against my clients."

Dorfman, 36, former Marine captain and World War II hero, was on the witness stand more than 2 hours while attorneys bickered about what questions were proper to ask him.

He testified that, after leaving the Marine Corps, he was on the faculty of the Univer-

ALLEN M. DORFMAN
Charges dwindle

sity of Illinois, and that he has been in the insurance business 10 years. His firm, he said, writes about $100,000,000 a year in premium business.

Low Bid Claimed

Dorfman testified that he negotiated insurance contracts with the teamsters' central conference health and welfare fund on a low-bid-and-best-bid basis in competition with more than 70 other insurance firms.

At the end of the hearing, the hearing officer asked Dorfman questions about his appearance before the Senate Rackets Committee.

Dorfman said he had been subpoenaed to appear before the committee in Washington six times. The first two times he appeared, he said, he answered questions put to him by the committee. Then, committee investigators spent 13 months examining his company's books and records.

Refused To Answer

The next four times he appeared before the Senate committee, he said, he refused to answer questions on the advice of his attorney, claiming his constitutional privilege not to testify on the ground that his answers might tend to incriminate him.

He did this, he added, because:

"I couldn't conceive of anything they could ask me that they had not already asked or found out, and I became convinced that they just intended to try to trap me."

Union Business Held Decisive

Dorfman said he doesn't believe he would have been called before the Senate committee if his company had not had the teamsters insurance business.

"The best proof of this is to look at the Reuther hearings—they haven't called in any of the United Automobile Workers insurance agents," he said.

Hearing officer Powell will study the testimony presented Thursday, make findings of fact and conclusions of law and then make a recommendation to Commissioner Thurman on whether the licenses of Dorfman and Schwartz should be revoked or suspended.

Press Intelligence, Inc.
WASHINGTON 1, D. C.

DETROIT (Mich.)
NEWS

Circ.: e. 463,469
S. 575,276

Front Page
Edit Page
Other Page
Date: SEP 2 1959

Decision Due in Week on Teamster Insurance

By DON HOENSHELL
Of Our Lansing Bureau

LANSING, Sept. 2. — Insurance Commissioner Frank Blackford will rule within a week whether a Chicago agent who earns $500,000 a year from Teamsters Union policies can keep his Michigan business.

The license hearings challenging the license of Allen M. Dorfman ended yesterday in an exchange of shouted accusations.

"How stupid does he think we are in Michigan?" said Assistant Atty. Gen. Jerry S. Cohen.

"I believe if you knew the full story, you would never have called these hearings," said Stanford Clinton, lawyer for Dorfman.

Cohen accused Dorfman, a pal of Teamster President James R. Hoffa, of perjury in the testimony before Blackford and embezzlement in converting layoff premiums to his personal checking account.

Blackford said he would study the briefs of Clinton and Cohen in addition to the stacks of testimony and exhibits before arriving at a decision next week.

3 PERMITS AT STAKE

Dorfman's two licenses in Michigan, under which he wrote Michigan are at stake. Under these he had written a share of the $30,000,000-a-year Teamsters' business in the central states and the Michigan conference of Teamsters.

He is accused of applying illegally for renewals in Michigan while unlicensed in his home state, Illinois; of paying kickbacks to Hoffa and others to get the Teamster business; and of holding back $51,000 in layoff premiums for three years.

Cohen cited evidence Dorfman paid a $735 six-month premium on a $80,000 life insurance policy for Hoffa who, as trustee for the Teamsters' Central States Conference, placed $10,000,000 in policies with Dorfman.

REPAYMENT IS ISSUE

He said Dorfman advanced $1,121 for premiums on policies for Frank Fitzsimmons, a Hoffa lieutenant, and his son, Gary. Fitzsimmons, as trustee for the Michigan Teamsters' Conference, placed $4,000,000 in policies with Dorfman.

"If I or anyone else missed a payment, we could get a notice and our insurance would be canceled," said Cohen.

Cohen said Clinton and Dorfman refused to allow him to question Sivian Roth, a bookkeeper in his office who Dorfman said was the only person who could prove Hoffa and Fitzsimmons repaid the money.

Clinton retorted that there was no evidence Hoffa did not repay the premiums, that the advanced money was carried as a debt receivable from Hoffa.

"For $735 Hoffa would sell himself out?" shouted Clinton. "How ridiculous can you get?"

CITES MISSING PROOF

Cohen stated that Dorfman testified under oath Hoffa repaid him personally, but that only Miss Roth could prove it. The refusal he declared, "is a shield to prevent us from finding the truth."

"He (Dorfman) has to hide behind the skirts of Sivian Roth," Cohen said. "They won't let us talk to her because they have something to hide."

Cohen said Dorfman [illegible] notifications that Northeastern Life Insurance Co. of New York, had canceled his agent's contract Jan. 31, 1958, the same day Dorfman applied to renew his licenses to represent Northeastern in Michigan.

Dorfman testified the exchange of letters between Blackford's office, Northeastern and his own office was "a mistake, inadvertance."

"This is the height of folly to try to explain away 10 or 11 pieces of correspondence, some with his own signature, as 'inadvertance'," said Cohen.

TERMED ERRORS

"It either means he mismanages his own affairs with an unheard-of zealousness, or he knew the facts and ignored them. It's the grossest type of misrepresentation on behalf of his own selfish interests."

Clinton said Dorfman made applications in Michigan through a series of clerical errors, and that there was no evidence to prove Dorfman "intended to deceive."

Cohen said Dorfman held back the $51,000 from Northeastern between February, 1958 to February, 1959, contrary to instructions from Northeastern to make the payments monthly.

After paying $39,000 of the [illegible] amount, Cohen said Dorfman transferred the remaining $12,000 into a personal account on which he and his wife wrote checks for furs, cars and "a [illegible] for their child."

Cohen said that "no matter where you look, in the laws, the statutes, or the contract," the layoff premiums are to be treated as a fiduciary trust.

"USED AS HIS OWN"

He said the $51,000 could not be declared as income under the federal internal revenue act, "but he used it as his own."

[illegible] after U.S. [illegible] rackets [illegible] investigators started probing, Dorfman made the final $12,000 payment to Northeastern.

"It's fantastic that the $12,000 stayed in that account for six months, Dorfman and his wife

Wednesday, Sept. 2, 1959—THE DETROIT NEWS—B-5

had wanted to pay Hoffa, he would have allowed him to pay the premiums to get them on the books, then turned them back to Hoffa.

if after exposure to the work of that vicious little monster, Bobby Kennedy, you did not have some opinion or feeling in the case," Clinton declared.

SENATE ENVOY THERE

"He (Kennedy) had the gall to send an investigator (Martin Uhlmann) to sit in on these hearings to see if you were doing a good job. There was a do-or-die spirit here."

Clinton, returning to the rebate charge, said if Dorfman can't fix a semblance of a case. Nothing here can justify taking his license away."

Clinton charged that Robert F. Kennedy, chief counsel for the Senate labor rackets committee, has demanded that the 12 states in which Dorfman does business lift his licenses.

He called the evidence "distorted, preposterous and stupid" and the proceeding "a travesty on the rules and on the law."

Clinton said Blackford should not have heard the case.

"I say, Mr. Commissioner, you would be less than human

both wrote checks on it, and then he claims he didn't know it existed," Cohen said.

"It shows deception and that his purpose was to keep it, with the lamest, weakest excuse I've ever heard in my life."

Clinton charged that the "facts have been distorted, twisted and interpreted to picture my client as a thief and an embezzler."

CHARGES 'DISTORTION'

"If this record justifies that, Mr. Commissioner, don't give my boy a license. But there

UNION FEE PAY-OFF PROBED

ADMINISTRATIVE FILE

Dorfman, Allen M.

DORFMAN SON ACCUSED OF FUND MISUSE

Charge He Kept Firm's Cash

Allen M. Dorfman, the young Chicago broker who found the road to wealth in the insurance of teamster and electrical union welfare funds, kept for his own use $51,461 that belonged to a New York insurance company, state officials charged Thursday.

Eighteen checks, totalling $40,000, which Dorfman, the son of union leader Paul (Red) Dorfman, wrote on funds due the Northeastern Life Insurance company, of Mount Vernon, N. Y., were introduced into evidence as the state insurance department opened a hearing to revoke Allen Dorfman's Illinois insurance license.

Lawyer Rips Kennedy

The checks were written by Allen Dorfman to himself and to investment firms and oil well companies, according to Robert Diehl and Vaughan Woodruff, state insurance department attorneys.

The hearing before Lawrence A. Berman, insurance department hearing officer, opened at 160 N. La Salle st. with a verbal blast by Allen Dorfman's attorney, Stanford Clinton, at Robert F. Kennedy, chief counsel of the Senate rackets committee.

The committee charged Wednesday that the $3 000 000 the Dorfmans received from teamster union welfare insurance was a payoff to the Chicago underworld from James R. Hoffa, teamster president. Red Dorfman, a close friend of Hoffa, is a friend of gangster chiefs in Chicago and New York, the committee charged.

Standing behind his client, Allen Dorfman, Atty. Stanford Clinton assails Robert Kennedy at hearing into revocation of Dorfman's insurance license.

Kennedy was assailed by Clinton as a "little monster" who is "incredibly vicious." The committee report, Clinton said, was "untruthful in every material respect."

"The American press has been derelict in its duty to the people by its failure to expose Mr. Kennedy for what he is—unscrupulous, dishonest and dishonorable," Clinton shouted.

Allen Dorfman, 36, appeared bored as the lurid [illegible] Daniel Yannantuono, controler of the Northeastern insurance company, reviewed off the fabulous sums his firm paid Dorfman in "service fees and commissions" on teamster welfare insurance.

Paid $2,200,000

More than $2,200,000 was paid to Dorfman's firm, the Union Insurance Agency of Illinois, 9 E. Huron st., from 1954 to 1957, Yannantuono said.

Dorfman has claimed that $51,461 in Northeastern company premiums were placed in his private bank account by mistake. In 1957, when his insurance agency was under scrutiny by congressional investigators, he refunded $39,000 to the Northeastern company.

The disclosures of the Senate rackets committee put Dorfman under fire from other state insurance departments. Insurance officials in Michigan and Kentucky also have moved to revoke his licenses in their states.

Press Intelligence, Inc.
WASHINGTON 1, D. C.

CHICAGO (Ill.)
TRIBUNE

Circ.: m. 868,455
S. 1,186,062

Front Page / Edit Page / Other Page

Date: AUG 7 1959

Risk Man Denies He Made Rebates

By RICHARD MILLMAN
(State Journal Capitol Bureau)

Teamster President James R. Hoffa pays for his own life insurance, the embattled young Chicago insurance agent who han- [illegible] testified Tuesday in an attempt to obtain renewal

Agent Says

Hoffa Pays

Hoffa Pays for Own Insurance

dies the policy testified Tuesday of his Michigan agent's license.

"Hoffa always paid," said Allen M. Dorfman, 36, who handles $20 million worth of Teamster insurance a year. "He doesn't owe me a cent."

Thus Dorfman replied to a charge by the Michigan insurance department that he rebated premiums on life policies for Hoffa and Frank E. Fitzsimmons, Detroit Teamster official, and Fitzsimmons' son, Gary.

Jerry S. Cohen, assistant attorney general, produced photostatic copies of checks signed by Dorfman for premium payments on the Hoffa and Fitzsimmons policies. For Hoffa, the check was for $726, the semi-annual premiums of a $50,000 policy and for Fitzsimmons two checks were for $875.30 and $246.70.

The state also introduced a copy of a work sheet from Dorfman's books showing the unpaid amounts of the checks and a note from auditors that there should be an attempt to collect the sums.

WRITTEN IN 1956

The checks were written in August and April of 1956, and the work sheet notation was June 4, 1957.

The state's contention was that the premium payments were still carried as accounts receivable for more than a year and there was no intention by Dorfman to collect them. This produces a prima facie case of rebating in violation of Michigan law, Cohen said.

Dorfman testified he often advances premium payments for customers and collects later. This is common practice in the insurance business, he said.

Both Hoffa and Fitzsimmons reimbursed Dorfman for the premiums, he testified. However, he could not recall the dates of the repayment nor the method—whether by check or cash.

Stanford Clinton, Dorfman's attorney, asked for dismissal of the rebating charge, contending the state "failed to get the ball out of the box" on the point.

"This is the low point in this case," Clinton said. "Rebate means a liability is excused by the agent, forgiven, not collected. If we carried it for 10 years, as long as we carried it as an obligation, there is no question of rebate."

COMMISSIONER TO RULE

Frank Blackford, state insurance commissioner, said he would rule on the request for dismissal when the case resumes for oral argument on Sept. 1.

Clinton and Cohen exchanged sharp words on the direction of the Michigan case against Dorfman. Clinton, as before, has contended the purpose is to "get Hoffa" and is directed by Robert Kennedy, counsel for the McClellan committee investigating labor and management problems.

"Hoffa paid his insurance; he pays his way all the time. Hoffa doesn't gyp and cheat for $700," Clinton said. "Kennedy started this to destroy Hoffa, and in the process he wants to destroy this man (Dorfman)."

Clinton contended Dorfman was only "small potatoes" in this case.

Shot back Cohen: "He's the only potato we're interested in."

Dorfman contended one of the state's examiners who went over his books in Chicago saw the notation where Hoffa repaid the $726 premium "and he was satisfied."

Blackford said he will look into this aspect before the Sept. 1 resumption of the hearing.

Rebating is one of three charges against Dorfman, whose non-resident agent's license expired April 1. Blackford ordered Dorfman to show cause why it should not be renewed in light of the department's charges. The license renewal is pending outcome of the hearing.

OTHER CHARGES

The first charge—that Dorfman was not licensed in his home state of Illinois for the firm he sought to represent in Michigan—was taken up at the first hearing March 23, and touched on only briefly Tuesday.

The second charge—that Dorfman used $51,000 from 1954 to 1957 in layoff premiums paid through an electrical workers union in Chicago for his personal purposes instead of forwarding them to the insurance company—was heard several weeks ago but developed again Tuesday.

Dorfman's defense on the first charge is clerical error, and on the second that there is nothing wrong with co-mingling funds.

He operates 14 agencies in 12 states, including Dover Insurance agency and Union Insurance agency out of Chicago which have been licensed in Michigan.

Dorfman now represents Republic National Life Insurance company of Dallas, Tex., but until April 1, 1958, he wrote insurance for Northeastern Life Insurance company of New York.

Daniel Yannantuono, comptroller for Northeastern, testified that Dorfman wrote 90 per cent of the business for Northeastern. Of about $25 million yearly business, Yannantuono said, Dorfman wrote all but $2 or $3 million.

Biggest Dorfman accounts were $15 or $16 million a year for the Central State Conference of Teamsters, and about $5 million a year for the Michigan Conference of Teamsters.

Under questioning by Clinton, Yannantuono said that the company always owed Dorfman more than Dorfman owed the company.

Press Intelligence, Inc.
WASHINGTON 1, D. C.

LANSING (Mich.)
STATE JOURNAL

1

Circ.: e. 63,999
S. 63,207

Front Page
Edit Page
Other Page 21

JUL 29 1959

Date

Press Intelligence, Inc.
WASHINGTON 1, D. C.

SEATTLE TIMES

Circ.: e. 208,224
S. 240,100

Front Page — Edit Page — Other Page

Date: MAR 11 1958

Insurance Switched Despite Teamster Board, Says Mohn

Two Teamsters' Union locals in Portland, Ore., and Los Angeles went against advice of the executive board of the Western Conference of Teamsters in switching group life-insurance coverage, Einar Mohn, new president of the conference, disclosed yesterday.

The two locals changed last month from the Occidental Life Insurance Co. of California to Republic National Life Insurance Co. of Dallas, Tex., at the request of Allen Dorfman, of Chicago, son of a close friend of James R. Hoffa, Teamsters' Union president.

Delay in Action Asked

Mohn said the Western Conference executive board had asked all locals to take no action on insurance matters until the conference meets in Seattle June 23.

Occidental has underwritten life-insurance policies for almost all of the Teamster locals in the West on a pooled-risk basis.

Mohn said all he knew about the action of the Portland and Los Angeles locals was what he had read in newspapers.

Mohn Here for Talks

Mohn, who began his union career in Bellingham, is in Seattle to confer with William Franklin, secretary-treasurer of the conference.

Hoffa appointed Mohn last month to replace Frank W. Brewster as conference president. Brewster, however, will remain on the job until Mohn can work full-time as president.

Mohn, who was executive vice president of the union during Dave Beck's term as general president, is teaching the duties of that office to his successor, Harold Gibbons of St. Louis.

Mohn said plans now are for Brewster to remain with the conference until June 1.

"I don't know what Brewster will do after that," Mohn said. "I won't speculate on it."

There have been reports that Brewster will take a position with the International Teamsters' Union office after leaving the conference. He also is president of Joint Council No. 28 of Seattle and Seattle Local 174.

No Disharmony Found

Mohn said he did not foresee any "great difficulties" in operations of the conference.

There have been reports that the conference, composed of Teamsters in the 11 Western states, Hawaii and Alaska, has been weakened by dissension, particularly between Brewster followers in the Pacific Northwest and Hoffa backers in Southern California.

Mohn said he conferred with Teamster leaders in Los Angeles, San Francisco and Portland last week and found no disharmony.

"Everyone is pulling together," Mohn said. "They're all looking forward to the conference meeting here in June."

Headquarters to Move

Mohn is moving the headquarters of the conference from Seattle to San Francisco. No date has been set for the move.

Franklin and David D. McDonald, conference bookkeeper, will move to San Francisco, Mohn said. The transfer affects five employes. "It doesn't make sense not to have the whole operation together," Mohn explained.

TEAMSTERS' LEADERS: Einar O. Mohn, left, new president of the Western Conference of Teamsters, conferred here today with William Franklin, conference secretary-treasurer.

LOCAL ADMIN. FILE
[illegible]

ADMINISTRATIVE FILE
Dorfman, Allen

LEGAL ADVIS. FILE

[illegible]

Press Intelligence, Inc.
WASHINGTON 1, D. C.

SAN FRANCISCO
EXAMINER

Circ.: m. 246,186
S. 496,449

Front Page
Edit Page
Other Page

Date:

8 Million in Insurance Reported Sold By Hoffa Aide; State Checks

The State is checking on the business activities of Teamster President James R. Hoffa's insurance man in California, it was disclosed here yesterday.

Joseph D. Thomas, chief assistant State insurance commissioner, said Hoffa's agent, Allen Dorfman, has reportedly sold $8,000,000 in group life insurance in southern California without a California insurance license. He said:

"In many cases it is not unlawful to solicit insurance without a license, and there is the presumption that his activities in California are lawful.

"However, since his activities have been called to our attention, we are checking to determine whether there was any technical violation of law."

He said that under certain conditions it was a misdemeanor to solicit insurance without a license.

During a 1953 congressional committee hearing, it was disclosed that approximately $100,000 in checks payable to Dorfman were not deposited in his agency's bank account.

Asked whether he had given any of the $100,000 to Hoffa, Dorfman declined to answer under the protection of the Fifth Amendment.

Thomas said he understood that since Hoffa had become president of the Teamsters Union [illegible] three southern California locals $1,000 life insurance policies covering some 8,000 members.

"In connection with these policies, we are asking the life insurance company to whom the commissions were paid," Thomas said. "If they were paid to some other person than Dorfman, we will try to learn whether this person turned over all or part to Dorfman."

LOCAL AD
FILE

Press Intelligence, Inc.
WASHINGTON 1, D. C.

SAN FRANCISCO CHRONICLE

Circ.: m. 183,755
S. 245,400

Front Page
Edit Page
Other Page

Date:

Hoffa's Pal In Insurance Sales Pitch

A close pal of Teamsters' Boss James Hoffa has picked off better than $8 million in group life insurance policies held by Southern California units of the union, it was learned yesterday.

However, Allen M. Dorfman of Chicago, longtime buddy of Hoffa, has had no luck in cornering Northern California Teamster business.

His operations have drawn the attention of the State Insurance Department. A spokesman said the department would investigate reports Dorfman has been selling insurance in California without a State license.

Dorfman emphatically denied this. "I have not personally solicited any locals of the Teamsters in California," he told The Chronicle.

He said he [illegible] throughout the State last month for [illegible] Teamster officials [illegible] time [illegible] agent of the [illegible] Guardian [illegible] Dallas, Texas.

[illegible] saw those people who might be interested in insurance and shook hands and [illegible] where that would be helpful," Dorfman explained. "The agent made the solicitations."

Dorfman said the trip netted "more than $8 million in policies underwritten by the Guardian company.

He said "several" Southern California locals bought policies but would not identify them.

The $8 million is only a token share of the same business Dorfman would like to take over.

Teamster Union insurance policies in California total nearly $100 million a year. Group life insurance purchases alone amount to $250 [illegible]

Union officials here said [illegible] Dorfman was trying to write more group life business "so he can get his foot in the door in the health, wealth and pension insurance business, which amounts to about $31 million a year."

Local teamsters [illegible] the locals' refusal to switch is based on dollars-and-cents reasoning. They believe insurance written by George Newell of Seattle, an associate of Dave Beck, [illegible] Teamster boss, and Frank Brewster, outgoing head of the Teamsters' Western Conference, offers a better deal.

Dorfman operates the Union Insurance Agency in Chicago. This company has written multi-million dollar policies for Teamsters in Hoffa's Central States Conference since 1952.

STATE PROBE

"We are going to make inquiry of the Guardian company to determine just how many policies have been sold; how many teamsters are covered, if any, by their policies, and just how the policies were written and through what agency."

Press Intelligence, Inc.
WASHINGTON 1, D.C.

SAN FRANCISCO NEWS
Circ.: e. 103,007

Front Page
Page

Date: [illegible]

LOCAL ADMIN. FILE

State Takes Look At Dorfman Move On Union Funds

EXCLUSIVE

The state is "looking into" the California connections of Allen Dorfman, it was announced today by Joseph D. Thomas, chief assistant state insurance commissioner.

Dorfman is the Chicago insurance man shown by The News yesterday to be moving into the life insurance business in California Teamsters locals.

The News revealed that Dorfman's Chicago agency has picked off $8 million in California business, and now may bite into the lucrative Coast health and welfare and pension funds.

THOMAS said his office is inquiring to determine how much of the Teamsters' insurance the Girardian Insurance Co. of Dallas is carrying and how much has been "laid off" on Republic National Life, also of Dallas.

Girardian is licensed to sell insurance in California, but Republic National is not.

Dorfman, discussing the California operation, said, "We're insuring through Girardian Life in California and reinsuring through Republic National in Illinois."

THOMAS SAID that if state investigators find Republic National is carrying too much of the insurance, his office may not allow the Dorfman contracts to go through.

The fact that Dorfman isn't licensed to sell insurance in California, he said, "isn't a heinous crime," but the state office watches licensing very carefully "because otherwise we would be very quickly overrun."

OTHER INSURANCE companies had made inquiries about Dorfman's entrance into California in the past two or three weeks, Thomas added.

Dorfman is no stranger to congressional investigations, The News learned in Washington. Recently he was subpoenaed for the fourth time to testify before Senator McClellan's rackets inquiry.

His name first popped up in 1953 when a House investigation found James Hoffa's Chicago-based Teamsters and the Brotherhood of Electrical Workers had placed nearly $10 million of business—insurance on health and welfare funds—with Dorfman's insurance agency, founded in 1949.

IN TURN, Dorfman placed this business with the Union Casualty Co. and the Union Public Service Co., two New York firms run by Dr. Leo Perlman of Mt. Vernon, N. Y., the man who took Dorfman from his job as a gym teacher and set him up in the insurance business in Chicago.

Perlman knew Allen Dorfman through Dorfman's father, Paul, who had come to New York and placed the insurance for his Chicago local of the Waste Materials Handlers Union with a Perlman company. Paul Dorfman was long-time secretary-treasurer of the garbage local.

BETWEEN OCTOBER, 1949, and June 30, 1953, Dorfman's Union Insurance Agency, owned jointly by himself and his mother, got more than $1 million in fees and commissions, the House report said.

The House subcommittee, headed by Rep. Wint Smith (R., Kas.), continued:

"It was disclosed that approximately $101,000 in checks payable to Allen Dorfman were not deposited to the agency's bank account."

ASKED IF he had given any of the money to Hoffa, now general president of the 1,500,000 member Teamsters Union, Dorfman took the Fifth Amendment.

His secretary denied cashing checks that bore only Dorfman's signature and not the stamped indorsement of the insurance agency.

The father, Paul Dorfman, testified before the same House subcommittee in 1953 and took the Fifth Amendment, declining to say how much his wife had received from the insurance agency or whether he reported income from the agency on his personal income tax returns.

HE SAID he'd known Hoffa 17 years and also knew Johnny Dio, a New York hoodlum who has been closely linked to Hoffa and who was sentenced to two years in prison last September for taking bribes in a labor racket.

Both Dorfmans' lawyer said in 1953 the reason his clients took the Fifth Amendment so often was because they were under investigation by the Internal Revenue Service.

The committee voted to cite Dorfman guilty of contempt but the Justice Dept. never prosecuted him.

THE DORFMANS next bobbed up in late 1954.

Allen Dorfman's New York license as a non-resident insurance agent was revoked in October of that year, and the relationship between Perlman's New York companies "and the Chicago agent who writes the multi-million-dollar welfare fund policies for mass bargainers in the Middle West" was criticized.

The New York State report, approved by the state insurance superintendent, warned Perlman's Union Casualty Co. that "prudent managerial policy would dictate the termination of all agency contracts with this agent."

THIS WARNING was given after it was revealed that Dorfman had sought, and received a guarantee from the company that he'd continue to get commissions on the teamster accounts even if his agency contract was terminated. Perlman delivered the guarantee Dec. 7, 1953, New York State found.

New York also censured Perlman's company for failure to get adequate vouchers on $85,343 in expense allowances paid to Dorfman's agency in 1950-52.

JUST THIS week in Chicago Allen Dorfman called a press conference and insisted:

- He'd never given a rebate to Hoffa or any other labor official and that the only gifts he'd given Hoffa and others were boxes of cheese, costing $10 apiece, at Christmas.
- That he hadn't ducked questions via the Fifth Amendment in his first three appearances before the McClellan committee and wouldn't on his fourth.
- That his agency now does $17 million a year in business, 75 per cent of it with teamster unions, and that the agency retains, after paying out 2 per cent in service fees and commissions, about 1 per cent, or a $170,000 annual profit.

LOCAL ADMIN FILE

60 [illegible] 204

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Press Intelligence, Inc.
WASHINGTON 1, D. C.

OAKLAND (Cal.) TRIBUNE

Circ.: e. 201,308
S. 225,010

Front Page
Edit Page
Other Page

Date: MAR 7 1958

Hoffa Pal's Policy Deal Under Probe

Teamster Union insurance policies in California which have a face value of nearly $300,000,000 a year are being sought by Allen M. Dorfman of Chicago, a longtime friend of new Teamster boss Jimmy Hoffa.

Dorfman, who operates the Union Insurance Agency of Chicago, said in San Francisco yesterday he has written "more than $8,000,000" worth of policies for the California Teamsters, mostly with Southern California locals.

Although not licensed in California, Dorfman says he can sell the insurance through a licensed agent of the Girardian Insurance Co. of Dallas, Tex.

The State Insurance Department said it was checking to determine if there were any violations.

The union insurance coverage, especially the health and pension policies, offers lucrative commissions.

LOCAL ADMIN. FILE

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Press Intelligence, Inc.
WASHINGTON 1, D. C.

SAN FRANCISCO NEWS

Circ.: e. 103,007

Front Page | Edit Page | Other Page

Date: MAR 6 1958

Lush Teamster Deals

Hoffa Pal Grabs Insurance Cash

ALLEN DORFMAN

PAUL DORFMAN

BY WILLIAM STEIF
News Staff Writer

EXCLUSIVE

The agent who handles millions of dollars of insurance for Teamsters' boss James Hoffa's Midwestern unions is moving in on California—and already has corralled $8 million worth of life insurance from California locals.

The agent's name is Allen M. Dorfman. He operates the Union Insurance Agency in Chicago and has been writing multi-million-dollar health and welfare policies for Hoffa's Central States Conference of Teamsters since [illegible].

DORFMAN—who is not licensed to [redacted] as a broker for insurance in California—has never explained what happened to $1,000,000 in commissions payable to him but never deposited in his agency's bank account.

A congressional committee asked him about this in 1953, but he took refuge in the Fifth Amendment.

Implications of the Dorfman move-in are:

- The rich Coast Teamster insurance business is up for grabs, now that Frank Brewster has been deposed as president of the Western Conference.
- George Newell, Coast broker through whom Brewster channeled millions in business, is losing his grip on lucrative commissions which came out of health and welfare and pension money, despite the fact that his commissions have been cut from 6 per cent to 4 per cent within the last year.

Dorfman's link to Hoffa is through his father, Paul, for many years secretary-treasurer of the Chicago local of the Waste Material Handlers Union.

THE AFL-CIO bounced the senior Dorfman from this job last year and he now works for the insurance agency, which is jointly owned by his son and wife.

The son visited Los Angeles and San Francisco only last month, pitching for business from Teamsters locals. Today, from Chicago, he told The News:

"We're hoping to go into business out there, if politics don't interfere."

HE SAID HE'D signed up "a few" locals, "mostly in Southern California," for group life insurance and added:

"We're trying to be competitive; going to try to

George Jordan said he "guessed" the firm had a licensed agent in California but knew no more about the origin of the Teamsters business.

Among Coast insurance men, there was speculation that the Dorfmans may use their "better deal" on life insurance as a wedge to enter the health and welfare and pension phases.

ONE [illegible] pointed out the "better deal" appeals to union business agents because it frees money for union purposes.

(To see how this works, take the case of a small local with 1500 members, each carrying $1000 in life insurance. At the 84c rate, the members would pay $15,120 a year for coverage; at 55c the cost would be $9900. The difference, $5220, could go a long way toward the local's organizational and administrative expenses.)

ONE [illegible] is now trustee of a number of Teamsters health and welfare funds [illegible] switched from [illegible] Nowell in other [illegible].

Possibly the biggest break so far occurred in Los Angeles last July when a dozen construction industry locals left Powell and the Occidental Life Insurance Co. for identical coverage with Aetna Life.

With the Dorfmans easing into the picture, San Francisco insurance men speculate it is simply a matter of time before they pitch for the heavy-money welfare and pension business, thus assuring Hoffa of important leverage among Coast union politicians.

give a better deal to the locals than anyone else. I know this—competitively, we'll have the best rate going into bidding."

What Dorfman means is this:

● There are three separate major categories of Teamsters insurance, (1) health and welfare, (2) pensions and (3) straight life insurance.

● The straight life policies are under control of the locals and placed directly with insurance companies—employers have nothing to do with them, unlike the trust funds jointly administered for welfare and pension programs.

● The old rate on Teamsters' life insurance has been 84c a month per $1000 coverage, but Dorfman is peddling his coverage at 55c per $1000.

Dorfman explained:

"WE TRACKED the experience average over a number of years and figured we could come out on a volume basis."

At the same time his father added:

"We're fighting for the business on our merits. We'll go anywhere for business."

One place Allen Dorfman will not go for business is New York state, where his non-resident agent's license was revoked in 1954.

AS FOR the California operation, the younger Dorfman said:

"We're insuring through Girardian Life in California and re-insuring through Republic National in Illinois."

Asked what broker he's working through in California, he said:

"I don't think I want to discuss that."

THE COMPANY Dorfman referred to is actually Girardian Insurance Co., of Dallas. It was founded in late 1952, is licensed to do business in California and is very small with assets of $3,230,000 as of Jan. 1 and just under $81 million worth of policies in force.

Republic National Life, also of Dallas, is not licensed to do business in California and therefore must act as the re-insurer, rather in the manner a tiny bookie lays off bets on a larger bookie.

REPUBLIC NATIONAL has assets of $77 million, $1,160,000,000 worth of policies in force and also is not considered very big in the insurance business.

Girardian's president, [illegible] W. Windham, said from Dallas:

"Yes, we are in California. We have gotten about eight million dollars worth of Teamsters locals' business and there's a potential of about $25 million altogether, I understand. We were contacted by Republic National to handle the business."

AT REPUBLIC National an assistant to vice president

LOCAL ADV'T. FILE ✓
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Press Intelligence, Inc.
WASHINGTON 1, D. C.

PORTLAND OREGONIAN

Circ.: m. 230,850
S. 295,527

Front Page
Edit Page
Other Page

Date:

Two Teamster Locals Desert Insurance Pool

By HAROLD HUGHES
Staff Writer, The Oregonian

A Portland teamster local and a Los Angeles teamster local have pulled out of a coastwise teamster insurance pool after "consulting" with the son of a close personal friend of James R. Hoffa, teamster international president, The Oregonian learned Friday.

The effect of the deal is to threaten to break up an insurance pool in which teamster locals with older members could obtain life insurance at nominal rates.

The Portland local is Warehousemen 206, whose secretary is Jack Estabrook. The Los Angeles local is Freight Drivers 208, headed by John Filipoff, secretary, a close friend of Estabrook.

Insurance [illegible]

The son is Allen Dorfman of Chicago, who admitted to a newspaper reporter that he had served as a "consultant" in the deal which got a full head of steam shortly after Hoffa took office at the end of January.

Dorfman sent locals with "younger members" telegrams February 4 offering to sell them group life insurance from the Republic National Life Insurance Co. of Dallas, Tex. The Oregonian learned.

Since 1948, the western conference teamster locals have carried their member's life insurance with Occidental Life Insurance Co. of California, which had handled the pool plan, offering teamster locals, both those with higher risk members and younger members insurance for 84 cents per $1,000.

The new deal, aimed at low risk members, will cost the two teamster locals only 50 cents per $1,000.

Dorfman said that insurance agencies in Portland and Los Angeles, whom he did not name, will replace George C. Newell of Seattle as broker on the two policies. Newell had set up the pool arrangement, considered unique at the time, and is broker for teamster insurance and pension funds.

Dorfman, who is involved in operating with Hoffa a Michigan boys camp, is the son of Paul Dorfman, expelled last August as secretary-treasurer of a Chicago waste material handlers union, local 20467 by the AFL-CIO on charges he profited [illegible] welfare funds.

At the time he was expelled the elder Dorfman was described as a "close friend of James R. Hoffa." AFL-CIO President George Meany then put Dorfman's local under trusteeship.

The elder Dorfman handled insurance deals for the Central Conference of Teamsters, which was headed by Hoffa until his recent seating by the federal courts as international president.

Teamster sources in Seattle indicated that the deal with the Portland and Los Angeles locals may result in Western Conference teamster locals with high percentages of older workers being forced into prohibitive rates if the coastwise pool breaks up.

LOCAL AS IN FILE

SEATTLE TIMES

Circ.: e. 208,224
S. 240,100

21

Front Page · Edit Page · Other Page

Date: FEB 28 1958

Dorfman Helps Shift Of 2 Coast Teamster Locals' Insurance

By ED GUTHMAN

Allen Dorfman, son of a close friend of James R. Hoffa, Teamsters' Union president, was helpful recently in swinging the group life-insurance coverage of two Teamsters' locals in Portland, Ore., and Los Angeles to the Republic National Life Insurance Co. of Dallas, Tex., The Times learned today.

Dorfman's firm, Union Insurance Agency of Chicago, which he operates with his mother, Rose, and the Dorfmans' connections with Hoffa and the Teamsters in the Midwest, have figured in several investigations by Congress and other bodies since 1954.

Father Ousted

The A. F. of L.-C. I. O. last August ousted Dorfman's father, Paul, as secretary-treasurer of Chicago Local 20467 of the Waste Handlers' Union.

The ouster was based in part on findings that the elder Dorfman [illegible] business to the insurance agency and with his wife shared in the agency's substantial financial profit.

The biggest chunk of the insurance agency's business has come from the Central States Conference of Teamsters' welfare fund, of which Hoffa was a trustee before becoming general president of the Teamsters last month.

Young Dorfman previously had not sought to act as broker or consultant for any of the group life-insurance or health-and-welfare plans in the Western Conference of Teamsters.

50-Cent Rate Offered

On February 4—within a week after Hoffa dethroned Dave Beck—Dorfman telegraphed some Teamsters' locals in the West, quoting Republic's offer to underwrite group life policies at 50 cents a month for $1,000 of insurance.

Since 1948, Western Conference locals have purchased group life insurance through the Occidental Life Insurance Co. of California at 84 cents for $1,000—pooling the risk on the principle that locals with good experience ratings would carry locals with bad experience ratings.

The two locals that switched to Republic are Warehousemen's Local 206, Portland, with 2,300 members, and Freight Drivers' Local 208, Los Angeles, which has 4,500 members. Both have many young members and have a good life-insurance experience rating.

Jack Estabrook, secretary-treasurer of Local 206, and John Filipof, secretary-treasurer of Local 208, are key supporters of Hoffa in the West.

Names Replaced as Broker

Dorfman told The Times he acted as "consultant" in the deal. Insurance agencies in Portland and Los Angeles will replace George C. Newell of Seattle as broker on the two policies, Dorfman said. He declined to identify the agencies.

"I like to do things for the (Teamsters') organization," Dorfman said. "I felt as though something should be done."

Dorfman said he planned to bid on other insurance and health-and-welfare policies covering Teamsters in the Western Conference as the policies come up for renewal.

LOCAL ADMIN. FILE
206 × 208

Press Intelligence, Inc.
WASHINGTON 1, D. C.

CHICAGO AMERICAN

Circ.: e. 519,372
S. 650,553

Front Page — Edit Page — Other Page

Date: FEB 25 1958

36—Tues., Feb. 25, 1958 • The Chicago American

No Kickbacks, Says Dorfman

ALLEN DORFMAN

Allen Dorfman, insurance company head whose name has been linked with James R. Hoffa, Teamsters Union chief, by congressional committees, denied today that he obtained business through "kickbacks" to Hoffa or any other union official.

He declared that his company, the Union Insurance Agency of Illinois, does about $13,000,000 worth of business annually with various segments of the Teamsters Union, but maintained:

"No union official ever got a dime for throwing business our way. We got the business because out of the 60 companies that wanted it, we presented the best deal."

Dorfman said he has known Hoffa for years, but never has given him any money.

Dorfman made his statements at a press conference in his company's headquarters at 9 E. Huron st.

He said he wanted "to clear the air for myself and family," since he expects to be recalled soon before the Senate Racket Investigating Committee headed by Sen. McClellan (D-Ark.).

Dorfman, a Marine Corps captain during World War II, said he had founded his business in 1948 with $5,000 given him by his mother, Rose, of 5801 Sheridan rd. She is his business partner.

That $5,000 has been parlayed into a $17,000,000 annual business that yields service fees and commissions of about $600,000.

Dorfman is the son of Paul Dorfman, 58, ousted head of the Chicago Waste Materials Handlers Union. Both Dorfmans were cited for contempt in 1953 by a House investigating committee, but the charges were dropped.